

House Engrossed

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 72

# HOUSE BILL 2064

AN ACT

PROVIDING FOR THE DEPARTMENT OF WATER RESOURCES TO EXTEND THE TERM OF A GENERAL INDUSTRIAL USE PERMIT IN THE PHOENIX ACTIVE MANAGEMENT AREA FOR UP TO SEVEN YEARS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Purpose

3 The purpose of this act is to facilitate the replacement of groundwater  
4 use on golf courses with the use of central Arizona project water by allowing  
5 a general industrial use permit issued under section 45-515, Arizona Revised  
6 Statutes, in the Phoenix active management area to be extended for up to  
7 seven years after the date the permit would have otherwise expired, if the  
8 permit cannot be renewed because the location of the use is now within the  
9 exterior boundaries of a private water company and if the permit will be used  
10 to exchange groundwater for central Arizona project water that will be used  
11 on a golf course. This exception to the requirements of section 45-515,  
12 Arizona Revised Statutes, will give the general industrial use permit holder  
13 additional time to secure a replacement withdrawal right to exchange for the  
14 central Arizona project water or make other arrangements to continue  
15 receiving the central Arizona project water for use on the golf course. It  
16 is further intended that the extension of the general industrial use permit  
17 duration for the maximum seven years is dependent on timely progress toward  
18 completion of the water delivery infrastructure that will transport the  
19 central Arizona project water to the golf course.

20 Sec. 2. General industrial use permit; extension; conditions;  
21 termination

22 A. Notwithstanding section 45-515, Arizona Revised Statutes, the  
23 department of water resources shall extend the term of a general industrial  
24 use permit issued in the Phoenix active management area for up to seven years  
25 after the date the permit would otherwise expire as provided in subsection  
26 B of this section if all of the following apply:

27 1. The general industrial use permit would otherwise expire on or  
28 before December 31, 2005 and cannot be renewed under section 45-515, Arizona  
29 Revised Statutes, because the site of the general industrial use is now  
30 located within the exterior boundaries of a private water company.

31 2. During the term of the extension, all wells from which groundwater  
32 is withdrawn pursuant to the general industrial use permit are located within  
33 the service area of the private water company and the private water company  
34 has agreed in writing that the term of the general industrial use permit may  
35 be extended for up to seven years under terms prescribed by this section.

36 3. The general industrial use permit is the subject of a water  
37 exchange contract, as defined in section 45-1001, Arizona Revised Statutes,  
38 to which all of the following apply:

39 (a) The water exchange contract was entered into before January 1, 2002  
40 for the exchange of central Arizona project water between a holder of a  
41 municipal and industrial central Arizona project subcontract and the holder  
42 of the general industrial use permit.

43 (b) The holder of the general industrial use permit has agreed in the  
44 water exchange contract to exchange groundwater pursuant to one or more

1 general industrial use permits and the total amount of those permits is less  
2 than one thousand four hundred acre feet.

3 (c) The central Arizona project water received by the holder of the  
4 general industrial use permit will replace groundwater for use on one or more  
5 golf courses owned by the permit holder.

6 B. A general industrial use permit described in subsection A of this  
7 section shall be extended for an additional seven years after the date the  
8 permit would have otherwise expired except that the extension shall  
9 terminate:

10 1. Thirty months after the date of final Arizona corporation  
11 commission approval or rejection of construction of a pipeline to transport  
12 central Arizona project water to the permit holder's golf courses or the date  
13 of final department of water resources approval or rejection of the water  
14 exchange contract described in subsection A, paragraph 3 of this section,  
15 whichever is later, if within that thirty-month period all necessary  
16 contracts for construction of the pipeline have not been executed by a party  
17 to the water exchange contract.

18 2. Two years after the date on which the general industrial use permit  
19 would have otherwise expired if within that two-year period construction on  
20 a pipeline for transporting central Arizona project water to the permit  
21 holder's golf courses has not substantially commenced.

22 Sec. 3. Repeal

23 This act is repealed on August 1, 2012.

APPROVED BY THE GOVERNOR APRIL 29, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2002.

Passed the House April 2, 2002,

by the following vote: 46 Ayes,

6 Nays, 8 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate April 23, 2002,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24 day of April, 2002,

at 11:01 o'clock A M.

[Signature]  
Secretary to the Governor

Approved this 29<sup>th</sup> day of

April, 2002

at 1:07 o'clock P M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April, 2002

at 11:50 o'clock A M.

[Signature]  
Secretary of State

H.B. 2064